



PUBLIC BUILDING COMMISSION



Finney State Office Building
Corner of Market and William
Looking northwest

REQUEST FOR DEVELOPER QUALIFICATIONS

FORMER FINNEY STATE OFFICE BUILDING
230 E. WILLIAM STREET AND 130 S. MARKET STREET
WICHITA, KANSAS 67202

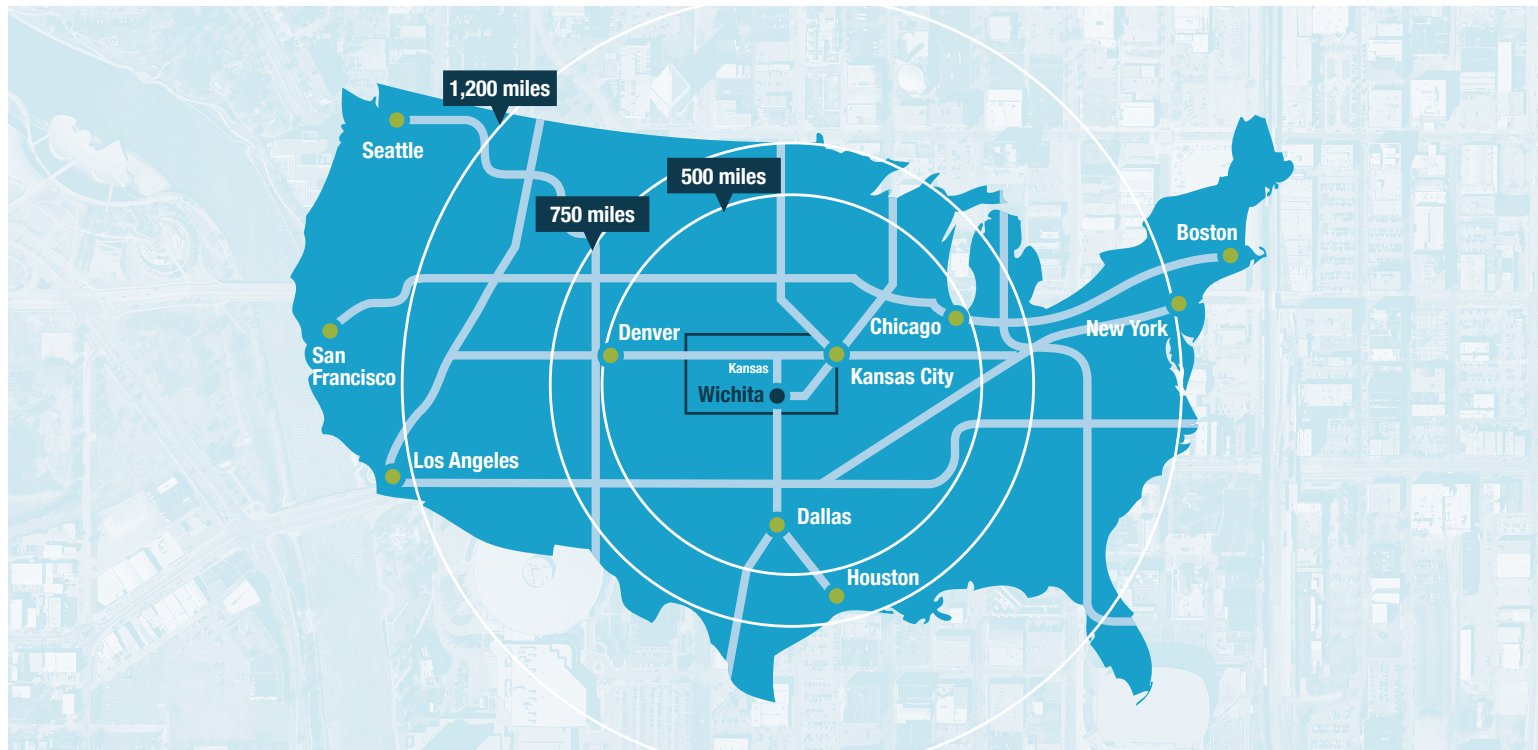
MARCH 2016



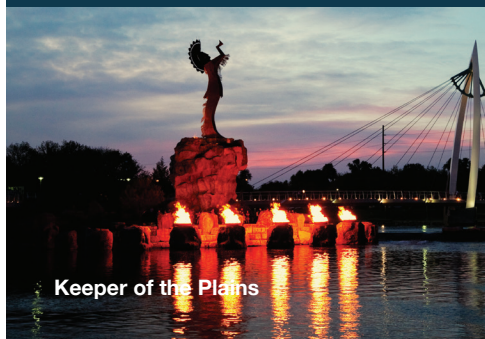
Finney State Office Building
Corner of Market and William
Looking northeast

INTRODUCTION

The City of Wichita Public Building Commission (“PBC”) is soliciting developer qualifications and initial development proposals for a prime property owned by the PBC in downtown Wichita, Kansas. The Former Finney State Office Building (the “Property”) at 230 E. William St. / 130 S. Market St. is located in the heart of downtown on the west side of Broadway Ave., and one-half block south of Douglas Ave., downtown’s primary thoroughfare.” The Property represents an outstanding opportunity for a mutually-beneficial development partnership to help achieve the vision for downtown.



COMMUNITY PROFILE



Keeper of the Plains



Wichita River Festival



Paragon by Albert Paley
Photo by Craig Hacker

Over the past century, public/private partnerships have helped transform Wichita into a premier Midwestern city. One of Wichita's first known economic development success stories dates back to the early 1870s. James R. Mead, one of Wichita's founding fathers, met a group of cattle drovers at the Kansas/Oklahoma border and offered incentives to encourage them to take their stock to Wichita instead of another nearby city. This economic development offer began the long history of public/private achievements which helped Wichita develop into the largest city in the state and earned it the designation of the "Air Capital of the World."

Wichita continues to build on its rich history and is nationally recognized for its low-cost, pro-business climate, highly desirable central location and status as a top global trade exporter. These qualities, in concert with economic development programs, provide the foundation for businesses to thrive. Wichita's central location and outstanding transportation system provide convenient and economical access to markets across the country and internationally.

Wichita's diverse cultural attractions are nationally renowned and rival other metropolitan areas of comparable size. The city offers a professional opera, symphony, ballet and music theater as well as numerous cinematic and performance theaters that stand ready to impress with plays and independent, classic and new films. From traditional to contemporary, the city features a variety of art galleries and world-class museums. Accomplished local musicians and artists entertain and inspire on a monthly basis during the Final Friday art gallery crawl throughout the downtown area.

Outdoor recreational activities abound in Wichita. There are more than 4,300 acres of lush parks and greenways, tranquil botanical gardens, numerous golf courses and more than 102 miles of bike paths. The Arkansas River provides additional recreational opportunities and serves as the centerpiece of the annual Wichita River Festival. It is home to the iconic Keeper of the Plains sculpture, which has become a symbol of Wichita and pays tribute to the Native Americans who first inhabited the area.



DOWNTOWN REVITALIZATION



Project Downtown: The Master Plan for Wichita was adopted in December 2010 and charts a 20-year vision for downtown Wichita. As outlined in the 2015 State of Downtown Report, 38 development projects have been completed in downtown since 2010 resulting in \$322 million in capital investment. Another 15 projects are under construction or in design, including \$180 million in projects along Douglas, downtown's primary east-west thoroughfare located only one-half block north of the Property.

Project Downtown is a business plan for downtown revitalization based on a prudent public investment policy designed to unlock private investment in market-driven development. One strategy in the public investment policy is to strategically market vacant and underutilized publicly-owned properties as catalyst development sites.

SITE CONTEXT

The Property is located within an area identified by Project Downtown as Catalyst Site 5. The first phase of development in Catalyst Site 5 is called Block One. The Block One development is across Broadway Ave. to the east of the Property and involves the redevelopment of an entire city block with the Ambassador Hotel, the Kansas Leadership Center, and a 263-stall public parking garage with ground floor retail space. The former Henry's Department Store at the northeast corner of William St. and Broadway Ave. is the final property in Block One to be developed. It is currently being marketed for office and/or retail space.

Catalyst Site 5 also includes a surface parking lot owned by the City of Wichita at the southeast corner of William St. and Broadway Ave. The parking lot was leased to the State of Kansas prior to vacating the Property. The parking lot is currently leased on a month-to-month basis to individuals and businesses in the vicinity. Project Downtown recommends that the site be developed with hotel, office, residential, or retail development at such time market demand warrants. The PBC is seeking qualified developers to develop the Property within the overall context of Project Downtown Catalyst Site 5.

DOWNTOWN DEVELOPMENT RESOURCE

The Wichita Downtown Development Corporation (WDDC) was launched in 2002 to revitalize and enhance the center city. WDDC is a private 501c3, not-for-profit corporation that works closely with the private sector and local government to stimulate new investment and interest in Downtown Wichita. The WDDC contracts with the City of Wichita to provide downtown development services. The contract is funded through a Self Supported

Municipal Improvement District (SSMID) that encompasses the geographic area bounded by Washington Street, Central Avenue, Kellogg and the Arkansas River. The entity can help to identify prospective business locations, provide market data, evaluate opportunities for new retail and service businesses, develop marketing and promotional strategies and assist with conceptualizing and implementing construction projects.

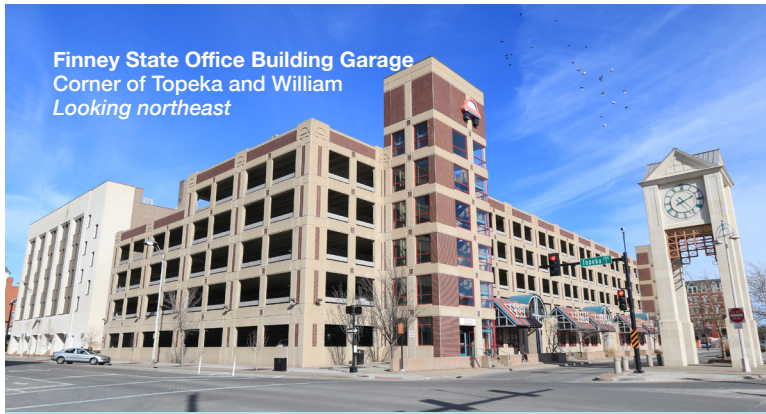


PROPERTY DESCRIPTION

The Property is outlined in green on the Property Location map above. The Property is bounded by Market St. on the west, William St. on the south, Broadway Ave. on the east, an alley on the northeast, and the historic Board of Trade (Wheeler-Kelley-Hagney Building) on the northwest. The Property was originally constructed in phases from the 1920s to the 1940s as two separate buildings that formerly housed Macy's and Innes department stores. Even though the Property is in excess of 50 years old, the major modifications to the Property preclude it from eligibility for historic tax credits. In 1992, the buildings were joined into one building to accommodate the State of Kansas by in-filling the alley that separated them. The State of Kansas vacated the Property in 2015. There are currently 180,000 net usable square feet in the building with a maximum possible net of 195,000 square feet of usable space. A detailed assessment of the building along with complete floor plans prepared by GLMV Architecture is available through the links on the Resources page in this document.

In addition to the Property, the PBC owns 475 parking stalls (out of 650 total stalls) in the Finney State Office Building (F.S.O.B.) Parking Garage located on William St. one block east of the Property that can be dedicated to development of the Property. Additionally, the City of Wichita recently completed an \$8 million renovation of the Parking at Market & William Garage located at southwest corner of William St. and Market St. This public parking garage has 434 parking stalls and is connected to the Property by elevated skywalk. Wichita Transit operates the city-wide bus system from the Transit Center located one block east of the Property on William St., and the Block One Parking Garage is located one-half block east of the Property on William St.

The Property is zoned Central Business District (CBD). CBD zoning permits a wide array of residential, civic, retail, hospitality, commercial, office and other complementary land uses. The CBD district has permissive development standards, including no parking requirements, no setback requirements, and no building height limitations. Complete information on the CBD district is available through the links on the Resources page in this document.



Finney State Office Building Garage
Corner of Topeka and William
Looking northeast



Parking at Market & William Garage
Corner of Market and William
Looking southwest

DEVELOPMENT OBJECTIVES

The objective of the RFQ process is to select a qualified developer to develop the Property consistent within the overall context of Project Downtown Catalyst Site 5. Additionally, the development should be consistent with the Project Downtown Development and Design Guidelines, available in the Project Downtown Appendices on the Resources page in this document.

MIXED-USE OBJECTIVES

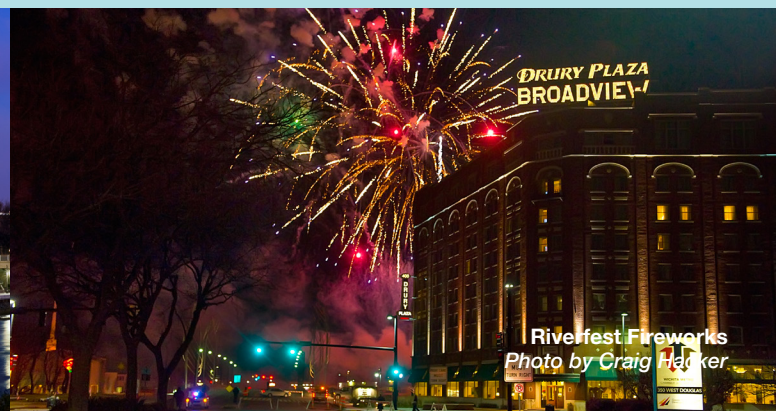
The Property can support a variety of civic, office, retail, hospitality, and residential uses, and innovative development concepts of all types are encouraged. Project Downtown is based on market analyses for housing, office, hotel, and retail that are available through the links on the Resources page in this document. The market analyses indicate that there is extensive market potential for apartments added through adaptive re-use of non-residential buildings, particularly for millennials and empty nesters. Significant office market potential is identified for “cool space” located in older, architecturally distinct buildings like the Property that are located within walking distance of restaurants and community destinations. Retail market potential is strong for niche retailers and restaurants offering trendy experiences and personal service to “hipsters” and “yupsters.”

HIGHER EDUCATION CONSORTIUM OBJECTIVES

A development concept that would be particularly beneficial to downtown Wichita is a higher education consortium. A higher education consortium development concept might include a wide range of educational and research programs from several universities, medical schools, community colleges, and technical colleges from around Kansas and the region that would be located in the same building with student housing and supportive retail and hospitality services. Such a development would help the region develop a strong workforce and would energize the downtown office and commercial environment with students across many spectrums (undergrad, certificate, graduate). Examples of successful higher education consortiums include Roanoke Higher Education Center, Downtown Brockton Higher Education Campus, and The Universities Center at Dallas.



Arkansas Riverwalk
Photo by Craig Hacker



Riverfest Fireworks
Photo by Craig Hacker

DOWNTOWN CONTEXT

The context in which the Property is located is illustrated below. The Property is highlighted with a green line and is located in the heart of the downtown on Broadway Ave., only one-half block south of Douglas Ave.



-  **FINNEY STATE OFFICE BUILDING**
-  **CURRENT DEVELOPMENT PROJECTS**

-  **PARKING STRUCTURES**
-  **CULTURAL AMENITY**

-  **HOTEL**



DOWNTOWN CONTEXT CONTINUED

Six major community destinations are within blocks of the Property. The Century II Performing Arts and Convention Center is located two blocks west of the Property and averages over 450,000 annual attendees at its events. INTRUST Bank Arena is located two blocks east of the Property and averages 420,000 annual attendees at its events. The Museums on the River District is six blocks northwest of the Property and includes Exploration Place, Mid-American All-Indian Center, Old Cowtown Museum, the Wichita Art Museum, and Botanica, which collectively average 425,000 annual attendees. Lawrence-Dumont Stadium is located six blocks southwest of the Property and is home to the Wichita Wingnuts and the National Baseball Congress, which together attract over 200,000 spectators annually. The Old Town district is located four blocks east of the Property and is an award-winning historic warehouse district. With more than 100 businesses, Old Town has become a destination sought out for its restaurants, shops, clubs, theaters, galleries, museums, and stores. It has also become a popular place to live and play. With hundreds of newly renovated apartments, luxury condos, and two of Wichita's finest hotels, Old Town is a vibrant and thriving community. The historic Delano district is five blocks west of the Property. Delano has five blocks of historic row buildings along Douglas Ave. and is home to dozens of unique shops, art galleries and restaurants. Nightlife includes weekly events like the Thursday Night Pub Pedal and monthly events like the Final Friday Art Crawl and 2nd Saturday shopping. The annual Wichita River Festival brings over 400,000 event attendees into the downtown area every summer.



Old Town Entertainment District
Corner of 2nd and Mead
Photo by Craig Hacker



Final Friday Art Crawl
Photo by Craig Hacker



Wingnuts Baseball at Lawrence-Dumont Stadium
Photo by Craig Hacker



Riverfest Fireworks
Photo by Debbie Greene

DEVELOPMENT ALONG DOUGLAS AVENUE



Exchange Place
\$66 Million Development Project
Looking north



Exchange Place
Parking Garage Construction
Looking northwest

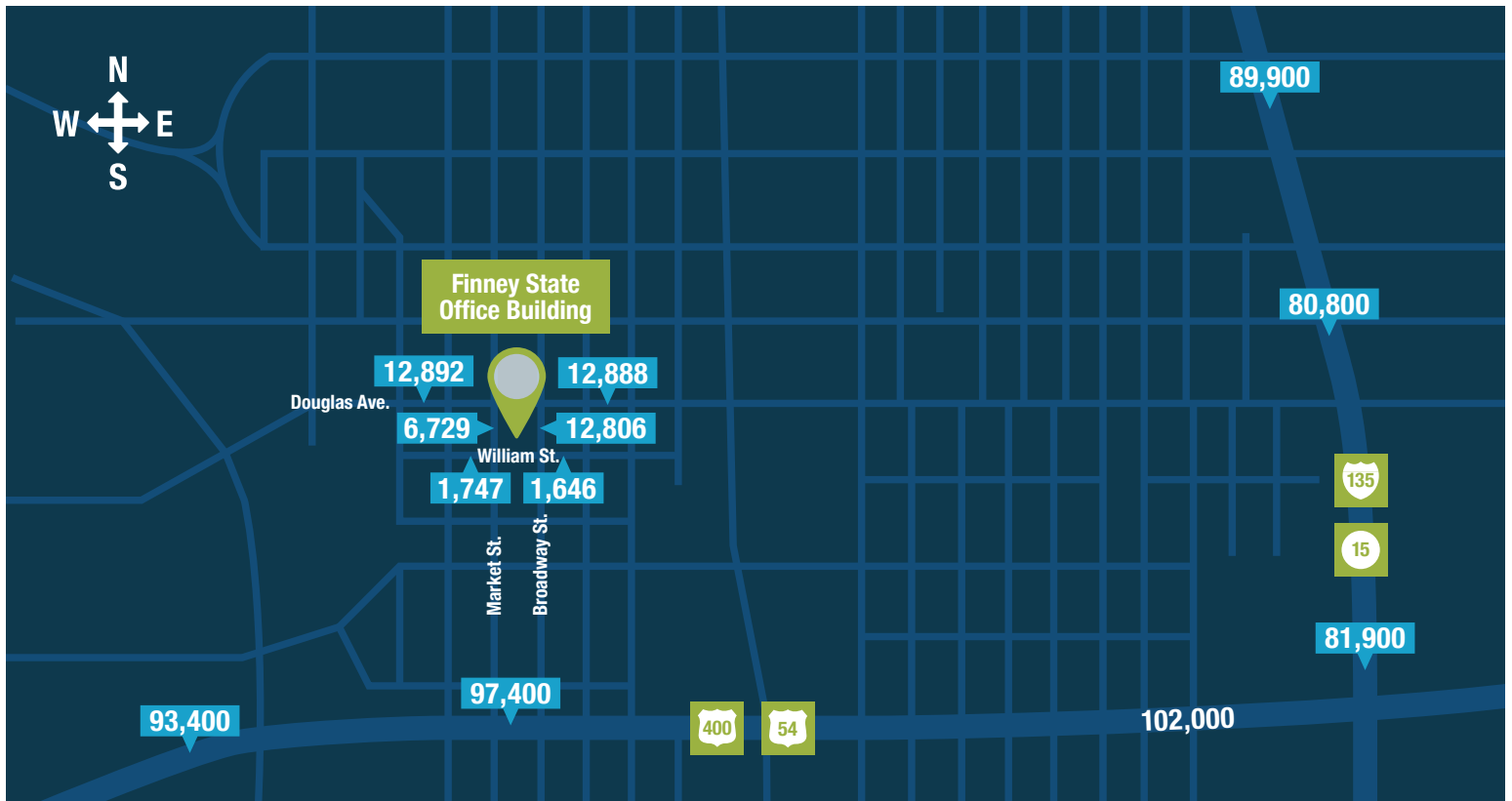
Three major development projects totaling \$158 million are currently under construction along Douglas Ave. One-half block north of Property at Douglas Ave. and Market St., the Exchange Place project is an historic renovation of two former office buildings into apartments and ground floor commercial space. The \$66 million project will have 240 apartments and a new 273-stall parking garage. Five blocks west of the Property on the west bank of the Arkansas River, the River Vista project is a \$38 million mixed-use project consisting of 204 luxury apartments with river views; a boat and bicycle rental facility with a public dock; a new segment of the river walk; and a concert green in Delano Park with a floating stage and a capacity of approximately 1,500 per event. Four blocks east of the Property and south of Old Town, the Union Station project is an historic renovation of the former Union Station and Rock Island depots along with the former Wichita Grand and Patrick hotels. The \$54 million project will be developed in two phases including new construction on a nine acre site. When completed, the project will have 275,000 square feet of commercial space, a 471-stall parking garage, and public plazas and open space throughout, including a public plaza with a capacity of approximately 750 along Douglas Ave.



River Vista
\$38.4 Million Development Conceptual Rendering
Looking northwest from Arkansas River



Union Station Development
Grand Hotel, Rock Island Depot, Terminal Building
Looking southeast on Douglas Ave.



TRAFFIC COUNT

The traffic counts surrounding the Property are shown above. The Property is marked on the map with a green pinpoint. Traffic counts in the immediate vicinity are almost 13,000 vehicles per day on Broadway Ave. and Douglas Ave. Approximately one-half mile south of the Property, Kellogg (US 54/400) has traffic volumes around 100,000 vehicles per day. Approximately one mile east of the Property I-135 has traffic volumes over 80,000 vehicles per day. Detailed information regarding traffic counts is available in the links on the Resources page in this document.”



PROPOSAL CONTENT AND FORMAT

Proposals must be succinct and include only the required information. To aid in the evaluation, all proposals must follow the same format and have sections tabbed as below:

A. Executive Summary

Provide a concise summary of the overall proposal.

B. Development Team

Detail and describe the proposed development team including, to the extent possible, the master developer, architect, financial partners, and construction contractor. Demonstrate a track record of successfully financing, developing, completing and managing comparable projects.

- Identify the key individuals, companies and organizational structure of proposer.
- Identify roles and responsibilities of all proposal team members.
- Cite proposer's experience with other successful development projects; include roles and responsibilities for these projects' team members, in addition to providing contact information for references for these other projects.
- Describe the Contracting Entity the proposer anticipates would contract with the PBC. The Contracting Entity must be organized and in good standing under the laws of the State of Kansas prior to entering into contracts with the PBC.

C. Financial Capacity

Provide clear and compelling information to demonstrate proposer's financial capacity to execute and complete the project successfully.

- Describe a clear strategy to fund all project costs.
- Specify and clearly describe all sources, types and amounts of equity, financing, grants and other funding sources for the proposed project.
- Provide documentation from potential lenders of interest in the Property.

D. Business Plan

Include an initial project budget and pro forma. Demonstrate the proposed project's viability by including, to the extent possible, the following:

- Initial research / market demand data.
- Intended use of the Property and in what form of control of the Property, or portion thereof, the project requires.
- Initial development schedule with major milestones that addresses all phases of planning, entitlements, design, plan review, permits, construction and occupancy.
- Proposed tenants/buyers/operators for the completed project.
- Development costs, including all site acquisition, construction costs, soft costs, and contingencies.
- Operating pro forma, including all revenues, expenses, debt service, taxes, and other assessments for the first stabilized year of operations.
- Identify any gaps in the pro forma preventing the project from obtaining the target rate of return.
- Provide reasonable assumptions for all costs and revenues.
- Describe the proposed approach to providing parking for the project.

E. Level of Return and Benefit

Describe the economic, fiscal, employment (construction and permanent), and other tangible public benefits generated by the proposal. Qualitative public benefits such as social or historic preservation goals may be included as support to well-defined quantitative benefits.

F. Consistency with Adopted Plans and Development Objectives

Explain how the proposal is consistent with the adopted Project Downtown master plan.

- Detail how the proposal is consistent with the Development Objectives described above.
- Clearly detail and define the project including:
 - Gross square footage of project and each proposed use.
 - Number of parking spaces and location.
 - Detailed cost estimates for all project components.
 - Provide a conceptual site plan and building elevations (color recommended).
 - Describe how the project will exist in context with Project Downtown Catalyst Site 5.

All proposals, including supporting documentation, are confidential until a selection is made by the PBC. All costs incurred in the preparation of this proposal are the responsibility of the proposer. The PBC reserves the right to issue supplemental information or guidelines relating to the RFQ during the proposal preparation period, or to make modifications to the RFQ. All proposals shall be considered firm offers for a period of 270 days following the due date. Once submitted, proposals may not be changed without written consent of the PBC. One (1) original and nine (9) copies of the proposal along with a PDF version on a flash drive or DVD shall be submitted by 5:00 P.M., May 6, 2016, to:

Scot Rigby, Assistant City Manager
City of Wichita
City Hall – 13th Floor
455 N. Main St.
Wichita, KS 67202
(316) 268-4524
srigby@wichita.gov

PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held on April 8, 2016, at 10:00 A.M. at the Property, 130 S. Market St., Wichita, Kansas. Potential proposers are strongly encouraged to attend the pre-proposal conference to learn more about the Property, the development objectives, and the proposal evaluation process. A tour of the Property will immediately follow the pre-proposal conference.

PROPOSAL EVALUATION & INTERVIEWS

Final selection will be made following a review and ranking of proposals received. The PBC reserves the right to interview and receive a formal presentation from only those development teams whose proposals best match the evaluation criteria. The PBC intends to select proposers for interviews no later than June 3, 2016. Interviews are anticipated to occur the week of June 13, 2016.

The PBC's objective is to select the best qualified development teams to undertake the tasks identified. The proposals will be evaluated on the basis of several factors, including:

1. Qualifications of the development team
2. Proposer's financial capacity to execute and complete the project successfully
3. Project viability, including operation and management of the project after construction
4. Level of return and benefit to the city
5. Consistency with adopted plans and development objectives

NEGOTIATIONS AND SELECTION PROCESS

Upon receipt of an evaluation panel's recommendation, the PBC may invite one or more development teams to submit a final development proposal for further evaluation. The PBC anticipates that final development proposals will be due August 5, 2016, with selection of the best final proposal to be completed by October 14, 2016. Upon selection of the best final proposal, the PBC will negotiate final business terms with the selected development team. The commencement of negotiations does not commit the PBC to accept any or all of the terms of the proposal, and negotiations may be terminated by the PBC at any time, in which case the PBC reserves the right to enter into negotiations with other proposers. These negotiations may result in minor or material changes to the proposal, including both the business terms and the project. Successful negotiations will result in an award recommendation. Agreements addressing business terms and performance benchmarks will be entered into between the parties. The PBC reserves the right to reject, in whole or in part, any or all proposals. If deemed appropriate to achieve the goals for development of the Property, the PBC reserves the right to make no selection and re-issue an RFQ. The terms and conditions of any development agreement resulting from this RFQ process are subject to approval by the PBC.

RESOURCES

All additional reference documentation listed below can be found at <http://www.wichita.gov/RFQ>

1. City of Wichita Economic Development Brochure

<http://online.wichita.gov/urbandevbrochure/>

2. Greater Wichita Partnership Economic Development Assistance

<http://www.greaterwichitapartnership.org/>

3. Project Downtown: The Master Plan for Wichita

<http://wichita.gov/Government/Departments/Planning/Pages/Downtown.aspx>

4. 2015 State of Downtown Report

<http://wichita.gov/Government/Departments/Economic/RFQ/RFQ/2015%20State%20of%20Downtown%20Report.pdf>

5. 2015 Downtown Developers Guide

<http://wichita.gov/Government/Departments/Economic/RFQ/RFQ/2015%20Downtown%20Developers%20Guide.pdf>

6. Wichita Downtown Development Corporation

<http://www.downtownwichita.org/>

7. Building Assessment by GLMV Architecture

<http://wichita.gov/Government/Departments/Economic/RFQ/RFQ/Building%20Assessment%20by%20GLMV%20Architecture.pdf>

8. Wichita-Sedgwick County Unified Zoning Code

<http://wichita.gov/Government/Departments/Economic/RFQ/RFQ/Wichita-Sedgwick%20County%20Unified%20Zoning%20Code.pdf>

9. Project Downtown Appendices

<http://wichita.gov/Government/Departments/Economic/RFQ/RFQ/Project%20Downtown%20Appendices.pdf>

10. Residential Market Potential for Downtown Wichita, June 2014 Update

<http://wichita.gov/Government/Departments/Economic/RFQ/RFQ/Residential%20Market%20Potential%20for%20Downtown%20Wichita,%20June%202014%20Update.pdf>

11. Traffic Counts, July 2015

<http://wichita.gov/Government/Departments/Economic/RFQ/RFQ/Traffic%20Counts,%20July%202015.pdf>



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INQUIRIES:

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